

## **REMARKS**

Claims 1-13 stand rejected on prior art grounds. Claims 1-13 are canceled herein without prejudice or disclaimer. Newly added claims 14-33 are included herein. As such, claims 14-33 are all the claims presently pending in the application. Moreover, formal drawings are submitted herein to replace the drawings previously submitted in the application. Applicants respectfully traverse the rejections based on the following discussion.

### **I. The Prior Art Rejections**

Claims 1-3 and 13 stand rejected under 35 U.S.C. §102(e) as being anticipated by Palmer, et al. (U.S. Patent No. 6,505,773 B1), hereinafter referred to as “Palmer.” Claims 4-12 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Palmer, in view of Scroggie, et al. (U.S. Patent No. 6,185,541), hereinafter referred to as “Scroggie.” Applicants respectfully traverse these rejections based on the following discussion.

Palmer teaches an online coupon issuing and redemption system and method that receives requests for coupons from consumers, presents advertisements, and issues coupons to consumers electronically. The system presents advertisements before issuing the coupons, such that an issuer may be assured its targeted consumer are receiving its advertisements. The coupons are issued on a smart card, thereby eliminating a need for paper coupons. The coupons are digitally signed in order to prevent fraud. In order to prevent further fraudulent tampering of coupons, the redemption station includes a tamper-protected coprocessor for performing operations on the coupons. The system further includes capability for the redemption station to link to an issuing station for electronic reimbursements.

Scroggie teaches a system and method for delivering purchasing incentives and a variety

of other retail shopping aids through a computer network, such as by E-mail over the Internet or the World Wide Web. Customers of retail stores can establish a bi-directional communication link with the system, log in to the system, and then elect to browse among available purchasing incentive offers, or elect to explore other shopping aids, such as a shopping list generator, a recipe center, or simply elect to claim a product rebate or to receive product information. If the customer elects to have product information or rebate information delivered, only minimal customer identification is required. For purchase incentives redeemable at retail stores, the customer must provide identification information and must also designate a retailer at which the purchasing incentive can be exercised. For receipt of focused incentives based the customer's past shopping behavior, the customer must also supply a unique customer id., such as a check cashing card number or credit card number, used for in-store purchases. For delivery of a product sample, the customer's name and address must be supplied. The system merges this customer-supplied information with other purchase incentive data and creates a printable graphical image of the purchasing incentive for transmission to the customer. In an alternate embodiment, the purchase incentive is not transmitted directly to the customer. Instead, the terms of the incentive are transmitted electronically to the retail store designated by the customer, who receives either a token to present at the store or an advisory message. In another embodiment, incentives may be targeted to specific consumers based on a consumer purchase history, and transmitted to consumers' computers using electronic mail addresses stored in a consumer database.

However, the claims, as provided in newly independent claims 14, 24, and 26 contain features, which are patentably distinguishable from the prior art references of record. Specifically, claims 14, 24, and 26 indicate that the authentication party (component) is different

from the issuing party (component). This assures proper and unbiased authentication and verification of an electronic coupon and overcoming disadvantages associated with cross-coupon honoring. Furthermore, newly added claims 14-33 have been reworded to overcome the interpretation by the Office Action that the authentication fails in the independent claims. Thus, as provided in newly added claims 14-33 the proper interpretation of the claimed language is the case when authentication does not fail, and as such the entire scope of the claim should properly be considered. Accordingly, when considering the entire scope of the claims, it is evident that the prior art of record fails to teach or suggest the claimed language. Specifically, Palmer fails to describe a third party authentication and validation component which authenticates and validates the redeemed electronic coupons. In fact, as illustrated in Figure 8 and column 6, lines 20-32 of Palmer, it is clear that the coupon validation is being performed by the issuing computer and not by a third party authenticator, which is contrary to the claimed invention. Similarly, Scroggie is bereft of any third party authentication component language (or its equivalent) as well. Therefore, the newly added claims (14-33) provided herein are patentably distinct over Palmer alone or in combination with Scroggie.

The advantages of incorporating a third party authentication component, such as the CCIA of the Applicants' invention is that the CCIA produces the coupons and only the CCIA can recognize that a redeemed coupon is in fact a valid coupon and has not been tampered with, is not subject to the biases of an issuing party validating a coupon, and is not subject to the deficiencies of a cross-coupon honoring system. Thus, the claimed invention achieves novel and unobvious results, which are a significant improvement over other prior art techniques.

Moreover, the Applicants note that all claims are properly supported in the specification and accompanying drawings. In view of the foregoing, the Examiner is respectfully requested to

reconsider and withdraw the rejections.

## **II. Formal Matters and Conclusion**

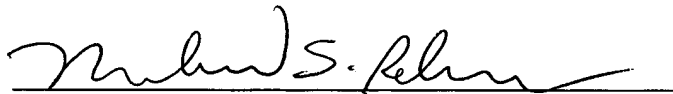
With respect to the rejections to claims 1-13, claims 1-13 have been canceled herein without prejudice or disclaimer as indicated above to overcome these rejections, and newly added claims 14-33 have been included to further differentiate the Applicants' invention from the cited prior art of record. In view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw the rejections to the claims.

In view of the foregoing, Applicants submit that claims 14-33, all the claims presently pending in the application, are patentably distinct from the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue at the earliest possible time.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary. Please charge any deficiencies and credit any overpayments to Attorney's Deposit Account Number 09-0441.

Respectfully submitted,

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